



Control Number: 48042



Item Number: 5

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AEP Energy
BOUNDLESS ENERGY

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Public Utility Commission of Texas
Austin, Texas 78711

March 7, 2018

Deven Reeves
Public Utility Commission of Texas
Filing Clerk
1701 N. Congress Ave.
Austin, Texas 78711

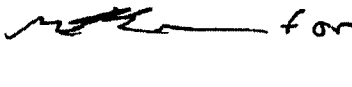
Re: Tariff Control No. 48042 – *Annual Standard True-up Compliance Filing for AEP Texas Concerning Rider TC-3 – Transition Charge-3 Rates*

Dear Mr. Reeves:

Pursuant to the March 6, 2018 Notice of Approval in the above-referenced tariff control number, enclosed is a clean copy of AEP Texas Rider 6.1.1.2.3.1, Initial/Adjusted Transition Charge-3 Rates – Rider TC-3, to be stamped "Approved" by Central Records and retained in AEP Texas' tariff manual for future reference.

Please feel free to call me at (512) 481-4550 if you have any questions.

Sincerely,

Graig Gullickson  for

Steven Beaty
Regulatory Consultant
AEP Texas Regulatory Services

AEP TEXAS - CENTRAL DIVISION

TARIFF FOR ELECTRIC DELIVERY SERVICE

Applicable: Certified Service Area previously served by AEP Texas Central Company

Chapter: 6 Section: 6.1.1

Section Title: Delivery System Charges

Revision: Seventh Effective Date: February 28, 2018

6.1.1.2.3.1 Initial / Adjusted Transition Charge-3 Rates – Rider TC-3

AVAILABILITY

This schedule is applicable to billed energy consumption and demands of retail customers taking service from the Company during the term that this schedule is in effect, and to the facilities, premises, and loads of all other retail customers obligated to pay TC-3 Charges as provided in Schedule TC-3, Section 6.1.1.2.3. Terms defined in Schedule TC-3 that are used herein shall have the same meaning as set forth in Schedule TC-3.

RATE CLASSES

For purposes of billing Initial/Adjusted Transition Charge-3 Rates (TC-3 Rates), each retail end-use customer will be designated as a customer belonging to one of eight classes as identified and defined by Schedule TC-3.

TRANSITION CHARGE-3 RATES

The Initial/Adjusted TC-3 Rates shall be determined in accordance with and are subject to the provisions set forth in the Financing Order and Schedule TC-3. Not less than 15 days prior to the first billing cycle for the Company's March 2013 billing month and no less frequently than annually thereafter, the Company or successor Servicer will file a revision to Rider TC-3 setting forth the Adjusted TC-3 Rates to be effective for the upcoming period. If made as a result of the annual true-up adjustment in Schedule TC-3, the Adjusted TC-3 Rates will become effective on the first billing cycle of the Company's March billing month. In accordance with Schedule TC-3 an interim true-up is mandatory semi-annually (or quarterly after the last scheduled maturity date of the Transition Bonds) if the Servicer forecasts that transition charge collections will be insufficient to make all scheduled payments of principal, interest and other amounts in respect of the Transition Bonds on a timely basis during the current or next succeeding payment period and/or or to replenish any draws upon the capital subaccount. Optional interim true-ups may also be made at any time as described in Schedule TC-3. If an interim true-up adjustment is made pursuant to Schedule TC-3, the Adjusted TC-3 Rates will become effective on the first billing cycle of the Company's billing month that is not less than 15 days following the making of the interim true-up adjustment filing. If a Non-Standard True-Up filing pursuant to Schedule TC-3 is made to revise the Rider TC-3, the filing will be made at least 90 days prior to the first billing cycle for the Company's March billing month.

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<u>Transition Charge-3 Customer Class</u>	<u>Initial/Adjusted TC-3 Rates</u>
Residential	\$0.002973 per kWh
Commercial and Small Industrial – Energy	\$0.008179 per kWh
Commercial and Small Industrial – Demand	\$0.832134 per kW or kVa
Large Industrial – Firm	\$0.330078 per kW or kVa
Large Industrial – Non-Firm	\$0.537557 per kW or kVa
Standby – Firm	\$0.067494 per Daily kW or kVa
Standby – Non-Firm	\$0.066619 per Daily kW or kVa
Municipal and Cotton Gin	\$0.004422 per kWh

The Initial/Adjusted TC-3 Rates are multiplied by the kWh or kVa, as applicable, read, estimated or determined during the billing month and will be applied to bills rendered on and after the effective date.